** STATÉ CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0031 (916) 319-2031 FAX (916) 319-2131

DISTRICT OFFICE
HUGH BURNS STATE BUILDING
2550 MARIPOSA MALL, ROOM 5031
FRESNO, CA 93721
(559) 445-5532
FAX (559) 445-6006

Assembly
California Legislature

WAN ARAMBULA
ASSEMBLYMEMBER THIRTY-FIRST DISTRICT

February 5, 2007

Lester A. Snow, Director Department of Water Resources P.O. Box 942836 Sacramento, CA 94236 Tam M. Doduc, Chair State Water Resources Control Board P.O. Box 100 Sacramento, CA 95812

2/20 BdMtg Item 6 IRWM

CHAIR

BUDGET

MEMBER

BUDGET

EDUCATION HUMAN SERVICES

JOBS, ECONOMIC DEVELOPMENT

SUB #4 - STATE ADMINISTRATION

AND THE ECONOMY

Deadline: 2/8/07 12pm

Re: Distribution of Proposition 50 IRWMP funds

Dear Mr. Snow and Ms. Doduc:

This letter outlines concerns that I share with many stakeholders in the San Joaquin Valley over how your agencies propose to distribute Proposition 50 Integrated Regional Water Management Planning (IRWMP) funds in budget year 2007-08.

As I understand it, your agencies have proposed to grant approximately \$132 million to projects that had unsuccessfully applied for IRWMP funds in the first round. I also understand that IRWMP applications may now be penalized if they do not address "statewide priorities," a standard that does not appear in the IRWMP section of Proposition 50. I have concerns about both of these proposed policies.

I am most concerned about your agencies' proposal to dispense with a second round of competitive funding in the distribution of Proposition 50 IRWMP funds. As your agencies surely know from experience, providing successive rounds of funding brings an element of fairness to the grant process. The best proposals receive funding first; unsuccessful applicants can improve their submissions in later rounds. In many cases, disadvantaged communities did not have the resources to submit applications in time for the first round of IRWMP grants. Your agencies' proposal to forego additional rounds deprives underserved areas like the San Joaquin Valley of a chance to compete fairly for this critical funding.

I am also concerned about the imposition of a "statewide priorities" standard in the distribution of Proposition 50 funds. It appears that such a standard was used to develop the list of Round 1 IRWMP applicants recommended by your agencies to receive additional Proposition 50 funds. As you know, this standard does not appear in the text of Proposition 50. Even in Proposition 84, where a "statewide priorities" standard does appear, it is only one of six criteria to be used in awarding grants. Surely it is unfair to subject applications prepared under a given set of criteria to a completely different standard, with no opportunity for applicants to make revisions to meet it. This is especially true when the new standard is unsupported by the governing statute.

I am equally disturbed that the imposition of a nebulous "statewide priorities" standard appears to have the effect of excluding San Joaquin Valley projects from funding. All applicants from the San Joaquin Valley ranked as low to medium low in the "statewide priorities" standard, thus eliminating them from competition. However, as you know, the Valley's population is growing much faster than the state average, with diverse and mounting demands on its limited water supply. The state and nation depend on the Valley as a source of food and fiber; Valley agriculture, in turn, depends on water. Governor Schwarzenegger recognized the region's importance to the state when he declared in Executive Order S-5-05 that "the strength of California is tied to the economic success of the San Joaquin Valley."

In light of the Valley's significance to the state, I must request an explanation of why applications from Northern and Southern California are proposed to be funded, and not the various San Joaquin Valley proposals that received higher scores. These Valley proposals include the Madera Region Water Supply and Environmental Preservation Program and the Kaweah Delta Water Conservation District's Regional Water Management Implementation Program 2005-06. With the Valley's water needs being so great, I feel strongly that IRWMP applications should be evaluated strictly on their merits.

I appreciate your agencies' commitment to spend voter-approved Proposition 50 funds as promptly as possible. However, I and many others feel strongly that the *best* proposals deserve funding, not just those submitted first. I urge your agencies to implement additional rounds of Proposition 50 IRWMP funding, and to remove the new "statewide priorities" standard from consideration for Proposition 50 funds. Ultimately the state and its taxpayers will be best served by a grant process that spends their money where it is needed most, under the criteria that the voters have approved.

Sincerely,

JUAN ARAMBULA

Assemblymember, 31st District

JA/eb